



(Incorporated in the Cayman Islands with limited liability)

Plover Bay Technologies Announces 2022 Annual Results

Revenue and diluted EPS grew 17.0% and 6.2% year-over-year, highlighting strong growth in recurring revenue

HONG KONG - 23 February 2023 - Plover Bay Technologies Limited ("Plover Bay", SEHK stock code: 1523), today reports its full year financial results ended 31 December 2022 ("FY22" or "2022") with revenue of US\$86.8 million, net income of US\$22.7 million and diluted earnings per share of US2.06 cents. In addition, Plover Bay declares a second interim dividend of HK8.69 cents per share for the period.

Financial Summary:

For the year ended 31 December 2022	2022	2021	YoY Change
Revenue (US\$ in 000)	\$86,757	\$74,128	+17.0%
Gross margin (%)	53.6%	58.2%	-4.6pp
Operating expenses, other income and finance cost (US\$ in 000)	\$20,126	\$18,428	+9.2%
Profit before tax (US\$ in 000)	\$26,381	\$24,727	+6.7%
Net profit (US\$ in 000)	\$22,659	\$21,200	+6.9%
Diluted earnings per share (US\$ in cents)	2.06	1.94	+6.2%
Dividend declared (HK\$ in cents)	14.59	14.30	+2.0%
First interim dividend (declared and distributed)	5.90	5.32	
Second interim dividend	8.69	8.27	
Special dividend	Nil	0.71	

FY22 Highlights

- Revenue was US\$86.8 million, up 17.0% year-over-year. Key highlights include a 37.2% growth in recurring revenue driven by an increase in the number of devices under subscription, subscription booking and sales of 5G/LTE data. Meanwhile, the Group also saw strong growth in 5G and small enterprise products, offset by a drop in LTE products as these products undergo a transition to new hardware platforms.
- In our business segments, sales of wireless SD-WAN routers increased 9.9%, sales of wired SD-WAN routers increased 15.8%, warranty and support services increased 34.2% and sales of software licences increased 31.6%, respectively, year-over-year.
- Sales from North America increased 20.7%, EMEA increased 10.6%, Asia Pacific increased 19.3% while other regions decreased 8.6%, respectively year-over-year.
- Recurring revenue grew 37.2% year-over-year to 27.4% of total revenue. During the year, the number of devices under subscription and the dollar amount received for subscription booking achieved remarkable growth of 33% and 49%, respectively. In addition, cloud and data services, which are also part of recurring revenue, ramped up quickly and now account for over 1% of total revenue.
- Operating expenses, which includes Selling & distribution, General and administration, and Research and development, consultancy and other expenses, amounted to approximately US\$20.1 million with a year-over-year increase of 9.2%. The Group continues to achieve operating leverage with disciplined cost control.
- Net income increased 6.9% year-over-year to about \$22.7 million. Full-year diluted earnings per share increased 6.2% year-over-year to US 2.06 cents, from US 1.94 cents in 2021.

Business outlook

Going forward, we are seeing a number of growth drivers:

- **Drive installed base growth and subscription growth** - Our wired and wireless routers are the conduits to our software and subscription services, which in turn provide convenience and ease-of-use under a seamless ecosystem. Growing our router installed base remains a high priority in order to drive future subscriptions and recurring revenue growth. In order to achieve this, we have kept our products at competitive pricing despite elevated component prices. We also continued to develop new software features which increase the value propositions of our subscription packages.
- **Seek partnership and crossover opportunities** - Plover Bay will explore partnership and crossover opportunities with various service providers. We aim to leverage our connectivity ecosystem to “supercharge” the connectivity of these partners, thereby improving their existing services, or enable new service opportunities.

Mr. Keith Chau, CEO of the Group said “Plover Bay is not just a hardware company that sells routers. Over time, we have built more and more software features delivered through subscriptions. These features aim to supercharge connectivity for customers, which makes their networks faster, more resilient, and easier to build and manage. Our software features deliver serious cost savings to customers. For instance, our InTouch feature enables network managers to remotely manage third-party devices behind our routers, without any additional equipment and remote licensing.”

“The need for a better connectivity is becoming universal to all businesses. We aim to continue to expand our installed base as well as our software features. Meanwhile we will actively seek partnerships and crossover opportunities to expand the reach of our ecosystem.” Mr. Chau added.

About Plover Bay Technologies Limited

Plover Bay Technologies (SEHK: 1523) develops and markets connectivity-related technologies and products under ‘Peplink’. The company’s technologies and products help “supercharge” the networks of customers from various industries to increase bandwidth, enhance reliability, and reduce costs.

For more details, please visit <https://www.ploverbay.com>.

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